



American Gilsonite Company

A Subsidiary of Chevron Resources Company
Bonanza, UT 84008 • Phone (801) 789-1921

Bonanza Mining Operations

File
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copy to Tam T.
& Ran D.

JIM

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SEP 13 1983

AUG 30 1983

DIVISION OF
OIL, GAS & MINING

August 29, 1983

Mr. James W. Smith
Utah Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Dear Mr. Smith:

Thank you for your response to my request for clarification of reclamation requirements concerning gilsonite vein closures. I would like to take this opportunity to clarify one point of my inquiry and confirm my understanding of your letter to me, dated August 3, 1983.

First, Chevron Resources Company American Gilsonite, is currently only investigating the methods of completing such vein closures at this time. Therefore, it should be understood that the proposed project mentioned in my letter remains under consideration.

Second, my understanding of your statement concerning the project, should Chevron ever undertake it, is as follows:

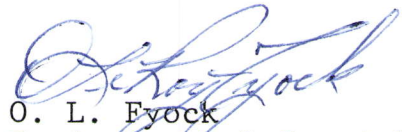
Chevron Resources Company American Gilsonite, will not be held responsible to continue closing any vein opening that was created prior to 1975 in the event

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that completion of the project would be cancelled. Chevron would only be required to reclaim any new disturbances that might have resulted from the closure activity. Such activities would not affect bonding for active mine operations in any manner.

If the closure project becomes feasible, Chevron will notify the state in plenty of time with complete details prior to initiation of the actual work. I would greatly appreciate your confirmation on this subject as quickly as possible.

Sincerely,



O. L. Fyock
Environmental Specialist
Utah Projects

OLF:vjw

cc: R. F. Dewey
R. L. Haffner
M. E. Pitzak
L. M. Cook